

STATE OF VERMONT
PUBLIC SERVICE BOARD

Order establishing methodology for the)
Vermont Universal Service Charge rate for)
prepaid wireless telecommunications service)
providers pursuant to 30 V.S.A. § 7521(d)(2))

Order entered: 9/3/2014

I. INTRODUCTION

During the 2014 legislative session, the General Assembly enacted into law Act No. 191.¹ Section 29 of Act No. 191 requires providers of prepaid wireless telecommunications services to begin contributing to the Vermont Universal Service Fund ("VUSF"). The Act also requires that the Public Service Board ("Board") establish a methodology related to the VUSF rate for wholesale prepaid wireless transactions. Specifically, pursuant to 30 V.S.A. § 7521(d)(2):

The Public Service Board shall establish a formula to ensure the universal service charge rate imposed on prepaid wireless telecommunications service providers under subdivision (1)(B) of this subsection reflects two percent of retail prepaid wireless telecommunications service in Vermont.

Subdivision (1)(B) refers to wholesale transactions and instances where the provider does not collect the charge from the consumer.

In order to implement the statute, on August 19, 2014, the Board convened a workshop attended by representatives from wireless service providers and the Vermont Department of Public Service ("Department").²

1. Public Act No. 191 (2014 Vt., Adj. Sess.).

2. The wireless service providers represented at the workshop were AT&T Wireless, Verizon Wireless, and Tracfone. KSE Partners, LLP also submitted a memorandum on behalf of several wireless carriers outlining a proposed methodology prior to the workshop.

II. DISCUSSION

Based on the comments of the wireless providers at the workshop, it is clear that individual wireless providers employ different accounting systems, tax and fee compliance systems, and methods of tracking wholesale and retail sales. These differences do not readily allow for a uniform methodology. Therefore, the methodology we adopt here recognizes these differences and allows providers flexibility in determining the required remittance amount in a manner that will minimize costs to the provider, but will also provide accountability and adequate contributions to the fund. Finally, in order to allow providers sufficient time in which to develop a methodology for calculating the amounts to be remitted to the fund, we delay the date upon which the first payment is due by one month, as described in ¶ 4 below.

III. CONCLUSION

Consistent with the determinations described above, we hereby adopt the following methodology:

1. Providers subject to the charge under 30 V.S.A. § 7521(d)(2), may employ any reasonable methodology to determine the amount to be remitted to the VUSF with respect to wholesale transactions and instances where the provider does not collect the charge from the consumer.
2. Prior to making its first remittance to the fund, each provider subject to the charge shall file with the Board and the Department for review a general description of the methodology to be employed in calculating the amount of the remittance.
3. Except as provided in ¶ 4 below, payments shall be made monthly, by the 15th day of the month, and shall be based upon amounts collected in the preceding month. The VUSF fiscal agent may allow payment to be made less frequently.
4. Any remittance to the fund that would otherwise be due October 15, 2014, may be made by November 15, 2014.

SO ORDERED.

Dated at Montpelier, Vermont, this 3rd day of September, 2014.

s/James Volz)

) PUBLIC SERVICE

)

_____)

) BOARD

)

)

) OF VERMONT

s/Margaret Cheney)

OFFICE OF THE CLERK

FILED: September 3, 2014

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and Order.